

INVESTOR UPDATE

4th Quarter Report
31 December 2009



From The Desk of The Chairman

Dear Shareholders,

PPB Group achieved another milestone in its financial performance to record an unaudited profit for the year of RM1.63 billion, representing an increase of 26% from the year before. The higher profit is primarily due to the increased contribution of RM317 million to RM1.21 billion in 2009 from Wilmar International Limited, an 18.4% associate company of PPB.

On 12 January 2010, PPB Group completed the disposal of its entire sugar business to Felda Global Ventures Holding Sdn Bhd to record a gain of about RM857 million which will be reflected in PPB's first quarter results of 2010. With the sale, profit for the year generated by the sugar business is now classified under discontinued operations in the 2009 results which increased by 61.6% to RM219.8 million.

As for the continuing operations, pre-tax profit increased by 19.3% to RM1.46 billion mainly due to Wilmar's better performance. Group revenue for continuing operations however was 19% lower at RM2.01 billion due to lower revenue registered by

the flour and feed milling, environmental engineering, chemicals trading and manufacturing divisions.

Total earnings per share improved to 136.31 sen from 108.52 sen in year 2008.

In line with the strong financial performance, the Board of Directors recommended a final single tier dividend of 18 sen per share for the financial year ended 31 December 2009. The final dividend is payable on Tuesday, 8 June 2010 subject to shareholders' approval at the forthcoming Annual General Meeting. Together with the interim and special single tier dividend of 5 sen and 50 sen per share respectively, the total dividend paid and payable for the financial year ended 31 December 2009 would be 73 sen per share.

HAPPENINGS / CSR ACTIVITIES

PPB conducted a full day in-house directors' training session on 6 October 2009 which was attended by over a hundred participants comprising directors,

From The Desk of The Chairman

senior managers and officers of PPB Group companies and affiliates. The topics covered included a review of the global economic crisis, managing memory with creativity and briefings on Wilmar as well as the flour industry in Indonesia.

Golden Screen Cinemas Sdn Bhd, a 99% subsidiary of PPB Group, opened its 9-screen multiplex at East Coast Mall in Kuantan, Pahang on 12 November 2009 with a total seating capacity of 1,621 seats.

During the 4th quarter of 2009, PPB had a line up of CSR activities including a Hari Raya Aidilfitri celebration with the street children at Rumah Nur Salam at Jalan Chow Kit, Kuala Lumpur. For the Christmas celebration, the staff of PPB and its wholly-owned indirect subsidiary, FFM Marketing Sdn Bhd, took 50 children from Agathians Shelter and St Barnabas Home to Skytrex Adventure Park in Taman Pertanian Malaysia, Shah Alam for some outdoor “eco-recreational cum educational” activities and lunch. On 3 and 4th December 2009, PPB organized a “Pro-Read Improved Reading Skill course for

25 employees of PPB Group to help improve the reading speed and comprehension of PPB Group employees. Not forgetting the flood victims at the East Coast, FFM Berhad, a wholly-owned subsidiary of PPB, gave away goodie bags to 500 families at Kampung Cina Kota Bahru and Tumpat areas in Kelantan.

GOING FORWARD

Whilst the global economic environment remains uncertain in 2010, economic activities in the Asian region are gaining pace. Riding on this momentum and with Wilmar’s presence in the growing economies of China, India and Indonesia, PPB Group’s operating results for 2010 are expected to be satisfactory. In addition, the Group results for 2010 will have a head start of RM857 million over the previous year from gains due to the disposal of PPB’s sugar business.

Datuk Oh Siew Nam

2 March 2010

Happenings

DIRECTORS' TRAINING

PPB conducted a full day in-house directors' training session on 6 October 2009, attended by over a hundred participants comprising directors, senior managers and officers of PPB Group companies and affiliates.

The first topic entitled, "A review of the global economic crisis, its impact on Malaysia and the effectiveness of government measures" followed by "Review and outlook of the Ringgit bond market in the second half of 2009", were presented by various speakers from CIMB Investment Bank Berhad.

Next, Mr Lim Soon Huat, a Director of PPB and President Director of PT Pundi Kencana, gave an overview of the flour milling industry in Indonesia



and the investment by FFM Berhad, a wholly-owned subsidiary of PPB, of a 1,000 mt-per day flour mill in Cilegon, Java.



The session continued after lunch with a briefing on Wilmar International ("Wilmar") by Mr Francis Heng, Wilmar's Chief Financial Officer, which covered various areas of interest including operational and corporate updates. Wilmar is an 18.4% associate of PPB.

The day's programme ended with a presentation on "Managing memory with creativity" by Mr Lim Teck Hoe of The Switch Sdn Bhd, who shared with the participants on memory enhancement and retention techniques.

GSC EAST COAST MALL OPENS TO PUBLIC

On 12 November 2009, Golden Screen Cinemas Sdn Bhd, a 99.0% subsidiary of PPB Group, opened its 9-screen multiplex at East Coast Mall in Kuantan, Pahang.

Located on the 3rd floor, Zone 1 of the Mall, GSC East Coast Mall has a total of 1,621 seats and is equipped with 12 wheelchair spaces for the physically challenged in selected halls.

Built at a total cost of RM16.0 million, GSC East Coast Mall has a 3D digital projection system in

its cinema and an e-payment facility for the convenience of purchasing tickets by movie-goers.

Together with GSC's current 5-screen multiplex in Berjaya Megamall Kuantan, the public can have their pick of movies from GSC's total 14 screens located in the heart of Kuantan. With this latest location, GSC maintains its market leader position with the largest cinema chain in the country with 175 screens in 22 cinemas nationwide.



CSR Activities

"PRO-READ" IMPROVED READING SKILL COURSE

On 3 & 4 December 2009, PPB organised a reading skill course for 25 employees of PPB Group as part of its CSR activities for its employees to help improve the reading speed and comprehension of PPB's employees.

The Course which is an Australian-designed competency based 12-hour programme, was conducted over 2 days at Wisma Jerneh with many hands-on and practical exercises. The participants were trained to attain at least double their Effective Reading Rate (a combined reading speed and comprehension factor) as well as to eliminate old faulty reading habits accumulated from childhood and to tackle any reading task with greater confidence.

Madam Ivy Fernandez, a specialist trainer certified by the Dean of Studies at the International Institute of Social Economics, England was the trainer for the Course.



At the end of the Course, each participant received a Certificate of Achievement which recorded his/her starting and finishing levels of Reading Rates and Comprehension. The Course Average Improvement Rate was a commendable 4.81 meaning all the participants achieved more than the stated aim of doubling their normal reading rate.



VISIT TO SKYTREX ADVENTURE PARK

On 12 December 2009, the staff of PPB and FFM Marketing Sdn Bhd, a wholly-owned subsidiary of PPB, took 50 excited children from two welfare homes, Agathians Shelter and St Barnabas Home to Skytrex Adventure Park in Taman Pertanian Malaysia, Shah Alam.

At the Park, the children experienced for their first time, some adventurous outdoor “eco-recreational cum educational” activities which took them from tree to tree via a series of challenges with difficulty ranging from “easy” to “difficult”. As the children were enjoying their challenges, some of the staff stood guard watching over the safety of the children whilst the rest busied themselves preparing hotdogs, hamburgers and sandwiches from FFM’s products.

At the end of the event, the children took home Christmas gifts from PPB and plenty of fond memories of their excursion to Skytrex Adventure Park. The staff were exhausted at the end of the event but felt rewarded with the joy shown on the faces of the children!



CSR Activities

FFM ASSISTS FLOOD VICTIMS IN KELANTAN

The recent floods in Malaysia damaged many homes and left many families in devastated states. East Coast states were worst hit by the floods.

In Kelantan, the floods seriously affected several areas namely, Kampung Cina Kota Bahru and Tumpat areas. With the assistance of Persatuan Pendidikan Akhlak Kelantan (PPAK), FFM Berhad was able to identify the families in need of assistance. On 29 December 2009, FFM staff went to Kota Bahru to pack and distribute goodie bags to the victims.

FFM contributed a total of RM35,503 worth of products distributed by FFM Group to 500 families who were hit by the floods.



*CSR Activities***VISIT TO RUMAH NUR SALAM**

In conjunction with the Hari Raya Aidilfitri celebration, PPB staff visited Rumah Nur Salam on 14 October 2009. Rumah Nur Salam is a 24 hour activity centre and “safehouse” with a healthy and loving environment for children under 18, living and loitering around the Chow Kit area of Kuala Lumpur. To date, there are about 400 children registered with the Home.

PPB contributed a “Music Corner” to the Home. Prior to the event, PPB staff painted the walls, purchased a cabinet and equipped it with various musical instruments.



On the day of the visit, Aseana Percussion Unit (APU) led by Edwin Nathaniel, introduced the musical instruments to the earnest children. One could see the potential in some of the children in the area of music and if they are nurtured from young, may spark off an interest in music which could hopefully provide them with some relief from the hectic and stressful environment they are living in. Music spreads love, music heals and music connects people. After the jam session, the children made a beeline for the buffet dinner.

PPB also gave away a hamper of a variety of board games to the Home as well as a box of Lotte “Choco-Pie” and mango pudding to each child.



30 OCTOBER

PPB entered into separate conditional sale and purchase agreements with Felda Global Ventures Holdings Sdn Bhd (“FGVH”) for the proposed disposals by PPB of the following :

- (a) 36,360,000 ordinary shares of RM1 each in Malayan Sugar Manufacturing Company Berhad (“MSM”), representing 100% of the issued and paid-up share capital of MSM for a cash consideration of RM1,221.16 million;
- (b) 6,000,000 ordinary shares of RM1 each in Kilang Gula Felda Perlis Sdn Bhd (“KGFP”), representing 50% of the issued and paid-up share capital of KGFP for a cash consideration of RM26.31 million; and
- (c) certain parcels of land measuring a total of approximately 5,797 hectares located in Chuping, Perlis for a cash consideration of RM45.00 million (“Proposed Chuping Land Disposal”)

(collectively referred to as “the Proposed Disposals”).

On the same date, Grenfell Holdings Sdn Bhd (“Grenfell”), a 49%-associate of PPB, entered into a conditional sale and purchase agreement with FGVH for the proposed disposal by Grenfell of 59,294,097 shares of RM1 each in Tradewinds (M) Berhad (“TWM”) (“TWM Shares”), representing 20% of the issued and paid-up share capital of TWM for a cash consideration of RM207.53 million.

4 NOVEMBER

PPB acquired from its wholly-owned subsidiary, PPB Leisure Holdings Sdn Bhd (“PPB Leisure”), PPB Leisure’s entire equity interest in Golden Screen Film Distribution Co Sdn Bhd (“GSFD”) comprising 200,000 ordinary shares of RM1 each, for a cash consideration of RM200,000, resulting in GSFD becoming a direct subsidiary of PPB.

Announcements (cont'd)

20 NOVEMBER

Release of 3rd Quarterly Report for the period ended 30 September 2009.

24 DECEMBER

The Estate Land Board and the relevant State Authority of the State of Perlis had vide separate letters dated 23 December 2009, approved the proposed transfers of the Chuping Land pursuant to the Proposed Chuping Land Disposal.

30 DECEMBER

FFM Berhad, a wholly-owned subsidiary of PPB, acquired the entire issued and paid-up share capital comprising 2 ordinary shares of RM1 each in Resolute Services Sdn Bhd (“RSSB”), for a cash consideration of RM2,500/- (“the Acquisition”). Arising from the Acquisition, RSSB has become an indirect subsidiary of PPB.

Share Analysis

4th Quarter Share Analysis

After registering a gain of 11.8% in 3Q2009, the FTSE Bursa Malaysia KLCI (FBM KLCI) continued to strengthen in 4Q2009 to register a gain of 5.9% and close at 1,272.78 points. Commencing the quarter at 1,202.08 points as at end September 2009, the FBM KLCI rose to a high of 1,270.44 points in late October 2009 in line with gains in global markets. The FBM KLCI touched an 18-month high of 1,288.42 points in mid-November 2009 following better-than-expected 3Q 2009 GDP data for Malaysia. However, profit-taking towards the end of the quarter caused the FBM KLCI Index to subsequently close at 1,272.78 points.

Source: Public Mutual Website
(www.publicmutual.com.my)

PPB share price closed 3.64% higher at RM15.96 compared with RM15.40 in the preceding quarter. Market capitalization of PPB shares increased to RM18.9 billion although daily average volume in the quarter decreased by 43.6% to 515,427 shares.

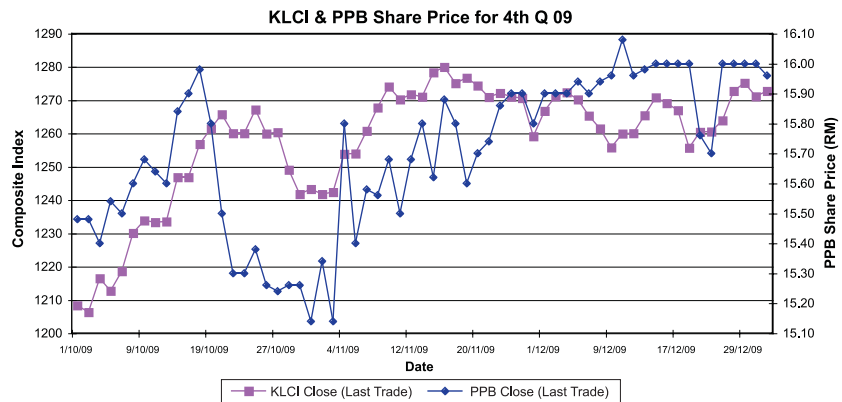
PPB SHARE & KUALA LUMPUR COMPOSITE INDEX PERFORMANCE For 4th Quarter 2009

	4th Q 2009	3rd Q 2009	% change
PPB share price			
Closing price (high)	16.08	16.04	0.25%
Closing price (low)	15.14	11.70	29.40%
Month end closing price	15.96	15.40	3.64%
Weighted share price	15.69	14.28	9.87%
Market capitalization (RM' million)	18,920.58	18,256.70	3.64%

PPB share volume			
Daily volume (high)	1,248,900	6,385,400	-80.44%
Daily volume (low)	70,500	121,900	-42.17%
Average daily volume	515,427	913,608	-43.58%

Kuala Lumpur Composite Index (KLCI)			
KLCI closing (high)	1279.95	1221.20	4.81%
KLCI closing (low)	1206.25	1063.66	13.41%
KLCI month end closing	1272.78	1202.08	5.88%

Kuala Lumpur Composite Index (KLCI) volume			
Daily volume (high)	196,096,000	265,526,800	-26.15%
Daily volume (low)	41,488,600	51,999,600	-20.21%
Average daily volume	82,226,910	128,137,211	-35.83%



Financial Statistics

For The 4th Quarter of 2009

*(The figures have not been audited)*Financial year ended
(All figures in RM million)

	12 MONTHS		% Change
	31.12.09	31.12.08	

INCOME STATEMENTContinuing operations

Revenue	2,005	2,489	(19.4)
Profit from operations	152	254	(40.2)
Profit before taxation	1,455	1,220	19.3
Profit for the year from continuing operations, net of tax	1,409	1,157	21.8

Discontinued operations

Revenue	1,407	973	44.6
Profit from operations	284	157	80.9
Profit before taxation	277	180	53.9
Profit for the year from discontinued operations, net of tax	220	136	61.8

Group total

Revenue	3,412	3,462	(1.4)
Profit from operations	436	411	6.1
Profit before taxation	1,732	1,400	23.7
Profit for the year	1,629	1,293	26.0
Profit attributable to Shareholders of the Company	1,616	1,287	25.6

BALANCE SHEET

Non-current assets	12,771	11,490	11.1
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Current assets

Cash and bank deposits	589	491	20.0
Non-current assets/disposal group classified as held for sale	925	9	>100
Others	782	1,226	(36.2)
Total current assets	2,296	1,726	33.0

Total assets	15,067	13,216	14.0
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Equity

Share capital	1,186	1,186	0.0
Reserves	12,901	11,047	16.8
Equity attributable to Shareholders of the Company	14,087	12,233	15.2
Minority interests	172	160	7.5
Total equity	14,259	12,393	15.1

Financial year ended (All figures in RM million)	12 MONTHS		%
	31.12.09	31.12.08	
Non-current liabilities			
Bank borrowings	83	66	25.8
Others	72	74	(2.7)
Total non-current liabilities	155	140	10.7
Current liabilities			
Bank borrowings	38	315	(87.9)
Others	349	368	(5.2)
Liabilities directly associated with disposal group classified as held for sale	266	0	>100
Total current liabilities	653	683	(4.4)
Total liabilities	808	823	(1.8)
Total equity and liabilities	15,067	13,216	14.0

RATIOS

Return on equity attributable to shareholders of the Company	(%)	11.5	10.5
Earnings per share	(sen)	136.3	108.5
Interest coverage	(times)	221.9	164.9
Current ratio	(times)	3.5	2.5
Total borrowings/Equity	(%)	0.8	3.1
Long term borrowings/Equity	(%)	0.6	0.5
Net assets per share attributable to shareholders of the Company	(RM)	11.9	10.3
Net dividend per share	(sen)	73.0	68.9

STOCK MARKET INFORMATION

Share price	(RM)	15.96	9.30
Market capitalisation	(RM million)	18,929	11,030
PE ratio	(times)	11.7	8.6

Quarterly Report

Condensed Consolidated Income Statements

For The Year Ended 31 December 2009

	Individual Quarter 3 months ended 31 December		Cumulative Quarter 12 months ended 31 December	
	2009 RM'000	2008 RM'000 (Restated)	2009 RM'000	2008 RM'000 (Restated)
<u>Continuing operations</u>				
Revenue	501,566	594,850	2,005,429	2,488,566
Operating expenses	(469,428)	(626,017)	(1,891,747)	(2,262,589)
Other operating income	11,180	7,730	37,861	28,045
Profit from operations	43,318	(23,437)	151,543	254,022
Net profit from investing activities	8,188	(21,700)	69,650	51,700
Share of net profits less losses of associates	272,016	381,941	1,239,603	918,440
Share of net profit of jointly controlled entity	388	1,002	1,144	1,575
Finance costs	(1,492)	(1,627)	(6,550)	(5,398)
Profit before tax	322,418	336,179	1,455,390	1,220,339
Taxation	(19,070)	2,253	(46,182)	(62,941)
Profit for the year from continuing operations	303,348	338,432	1,409,208	1,157,398
<u>Discontinued operations</u>				
Profit for the year from discontinued operations, net of tax	50,216	22,926	219,831	136,026
Profit for the year	353,564	361,358	1,629,039	1,293,424
Attributable to :-				
Shareholders of the Company	351,525	363,280	1,615,964	1,286,509
Minority interests	2,039	(1,922)	13,075	6,915
Profit for the year	353,564	361,358	1,629,039	1,293,424
Basic earnings per share (sen)				
- continuing operations	25.42	28.71	117.77	97.05
- discontinued operations	4.23	1.93	18.54	11.47
	29.65	30.64	136.31	108.52

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to this report.)

Condensed Consolidated Balance Sheets

Quarterly Report

	As at 31-Dec-2009 RM'000	As at 31-Dec-2008 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	860,666	957,970
Investment properties	167,923	168,436
Biological assets	2,889	2,943
Prepaid lease payments	103,695	132,292
Goodwill	72,444	73,086
Other intangible assets	1,969	2,519
Land held for property development	11,268	6,459
Investments in associates	10,628,430	9,699,666
Investment in jointly controlled entity	29,518	45,849
Other investments	886,440	398,111
Deferred tax assets	5,479	3,315
	<u>12,770,721</u>	<u>11,490,646</u>
Current Assets		
Inventories	377,835	706,444
Biological assets	14,320	27,404
Other intangible assets	6,334	7,977
Property development costs	30,793	38,297
Receivables	352,338	445,282
Derivative financial instruments	193	-
Cash, bank balances and deposits	589,003	491,186
	<u>1,370,816</u>	<u>1,716,590</u>
Non-current assets/disposal group classified as held for sale	925,423	9,009
	<u>2,296,239</u>	<u>1,725,599</u>
TOTAL ASSETS	<u>15,066,960</u>	<u>13,216,245</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	1,185,500	1,185,500
Reserves	12,901,042	11,047,291
Equity attributable to shareholders of the Company	14,086,542	12,232,791
Minority interests	172,817	160,088
Total equity	<u>14,259,359</u>	<u>12,392,879</u>

Condensed Consolidated Balance Sheets (cont'd)

	<i>As at</i> 31-Dec-2009 RM'000	<i>As at</i> 31-Dec-2008 RM'000
Non-current Liabilities		
Long term borrowings	82,813	65,995
Deferred tax liabilities	71,552	74,312
	<u>154,365</u>	<u>140,307</u>
Current Liabilities		
Payables	342,336	348,447
Derivative financial instruments	212	-
Short term borrowings	37,654	315,290
Taxation	6,785	19,322
	<u>386,987</u>	<u>683,059</u>
Liabilities directly associated with disposal group classified as held for sale	266,249	-
	<u>653,236</u>	<u>683,059</u>
Total liabilities	<u>807,601</u>	<u>823,366</u>
TOTAL EQUITY AND LIABILITIES	<u>15,066,960</u>	<u>13,216,245</u>
Net assets per share attributable to shareholders of the Company (RM)	<u>11.88</u>	<u>10.32</u>

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to this report.)

Condensed Consolidated Cash Flow Statements
For The Year Ended 31 December 2009

Quarterly Report

	2009 RM'000	2008 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax		
- continuing	1,455,390	1,220,339
- discontinued	277,087	180,303
	<u>1,732,477</u>	<u>1,400,642</u>
Adjustments :-		
Non-cash items	(1,166,566)	(777,223)
Non-operating items	(53,774)	(76,745)
Operating profit before working capital changes	<u>512,137</u>	<u>546,674</u>
Working capital changes		
Net change in current assets	(8,051)	(246,076)
Net change in current liabilities	46,184	40,438
Cash generated from operations	<u>550,270</u>	<u>341,036</u>
Tax paid	(77,411)	(98,876)
Net cash generated from operating activities	<u>472,859</u>	<u>242,160</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment, investment properties, biological assets, prepaid lease payments and other intangible assets	(163,559)	(220,614)
Deposits for sale of investments	64,624	-
Proceeds from disposal of property, plant & equipment, and prepaid lease payments	1,218	15,215
Purchase of investments	(2,064)	(14,179)
Proceeds from sale of investments	8,727	1,414
Return of capital from jointly controlled entity	17,370	-
Dividends received	269,071	229,542
Interest received	8,610	15,589
Other investing activities	(5,492)	4,210
Net cash generated from investing activities	<u>198,505</u>	<u>31,177</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Shares issued to minority shareholder of a subsidiary	-	15,386
Bank borrowings	(128,303)	325,833
Interest paid	(12,598)	(7,793)
Dividends paid	(275,156)	(824,091)
Other financing activities	(12,519)	4,975
Net cash used in financing activities	<u>(428,576)</u>	<u>(485,690)</u>
Net increase/(decrease) in cash and cash equivalents	<u>242,788</u>	<u>(212,353)</u>
Cash and cash equivalents at 1 January	489,022	699,411
Effect of exchange rate changes	(800)	1,964
Cash and cash equivalents at 31 December	<u>731,010</u>	<u>489,022</u>
Cash and cash equivalent represented by :-		
Cash and bank balances	55,480	79,558
Bank deposits	676,886	411,558
Bank overdrafts	(1,356)	(2,094)
	<u>731,010</u>	<u>489,022</u>

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to this report.)

Quarterly Report

Condensed Consolidated Statement of Changes in Equity

For The Year Ended 31 December 2009

12 months ended 31 December 2009

At 1 January 2009

As previously stated

Effect of adopting FRS 139

Restated

Net gains/(losses) recognised directly to equity

Profit for the year

Total recognised income and expenses for the year

Transfer of reserves

Fair value gain on available-for-sale investments realised
and recognised in income statement

Acquisition of additional shares in an existing subsidiary company

Dividends

At 31 December 2009

12 months ended 31 December 2008

At 1 January 2008

Net gains/(losses) recognised directly to equity

Profit for the year

Total recognised income and expenses for the year

Transfer of reserves

Acquisition of additional shares in an existing subsidiary company

Shares issued to minority shareholders of a subsidiary company

Dividends

At 31 December 2008

	Share capital RM'000	Share premium RM'000	Revaluation reserve RM'000	Exchange translation reserve RM'000
At 1 January 2009	1,185,500	6,715	60,675	172,631
As previously stated	-	-	-	-
Effect of adopting FRS 139	1,185,500	6,715	60,675	172,631
Restated	-	-	-	(151,813)
Net gains/(losses) recognised directly to equity	-	-	-	-
Profit for the year	-	-	-	-
Total recognised income and expenses for the year	-	-	-	(151,813)
Transfer of reserves	-	-	(445)	-
Fair value gain on available-for-sale investments realised and recognised in income statement	-	-	-	-
Acquisition of additional shares in an existing subsidiary company	-	-	-	-
Dividends	-	-	-	-
At 31 December 2009	1,185,500	6,715	60,230	20,818
At 1 January 2008	1,185,500	6,715	55,492	(174,846)
Net gains/(losses) recognised directly to equity	-	-	5,791	347,477
Profit for the year	-	-	-	-
Total recognised income and expenses for the year	-	-	5,791	347,477
Transfer of reserves	-	-	(608)	-
Acquisition of additional shares in an existing subsidiary company	-	-	-	-
Shares issued to minority shareholders of a subsidiary company	-	-	-	-
Dividends	-	-	-	-
At 31 December 2008	1,185,500	6,715	60,675	172,631

Non-distributable			Distributable		Minority interests RM'000	Total equity RM'000
Fair value reserve RM'000	Hedge reserve RM'000	Capital reserve RM'000	Retained earnings RM'000	Attributable to shareholders of the Company RM'000		
-	-	254,191	10,553,079	12,232,791	160,088	12,392,879
204,560	267,585	-	50,741	522,886	137	523,023
204,560	267,585	254,191	10,603,820	12,755,677	160,225	12,915,902
281,179	(170,937)	29,880	542	(11,149)	2,184	(8,965)
-	-	-	1,615,964	1,615,964	13,075	1,629,039
281,179	(170,937)	29,880	1,616,506	1,604,815	15,259	1,620,074
-	-	39,534	(39,089)	-	-	-
(1,285)	-	-	-	(1,285)	-	(1,285)
-	-	-	-	-	(176)	(176)
-	-	-	(272,665)	(272,665)	(2,491)	(275,156)
484,454	96,648	323,605	11,908,572	14,086,542	172,817	14,259,359
-	-	239,060	10,117,844	11,429,765	137,288	11,567,053
-	-	(27,526)	13,275	339,017	2,149	341,166
-	-	-	1,286,509	1,286,509	6,915	1,293,424
-	-	(27,526)	1,299,784	1,625,526	9,064	1,634,590
-	-	42,657	(42,049)	-	-	-
-	-	-	-	-	(59)	(59)
-	-	-	-	-	15,386	15,386
-	-	-	(822,500)	(822,500)	(1,591)	(824,091)
-	-	254,191	10,553,079	12,232,791	160,088	12,392,879

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2008 and the accompanying explanatory notes attached to this report.)

A. Financial Reporting Standards (FRS) 134 - Paragraph 16**A1 (a) Accounting policies**

The interim financial statements of the Group have been prepared in accordance with the requirements of Financial Reporting Standards ("FRS") FRS 134 - Interim Financial Reporting and Chapter 9, Part K of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("BMSB").

The accounting policies and methods of computation used in the preparation of the interim financial statements are consistent with those used in the preparation of the audited financial statements for the financial year ended 31 December 2008 except for the early adoption of the following new FRSs and Interpretations, effective from the financial period beginning 1 January 2009:-

FRS 7	Financial Instruments : Disclosures
FRS 139	Financial Instruments : Recognition and Measurement
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment

The adoption of the above FRSs and interpretations does not have any significant financial impact on the Group except for FRS 139 as disclosed below:-

FRS 139 : Financial Instruments : Recognition and Measurement

The adoption of the new FRS 139 has resulted in a change in the accounting policy relating to the recognition and measurement of other investments and derivative financial instruments.

Other investments

Prior to 1 January 2009, other investments were stated at cost less any diminution in value of the investments. Any diminution in value was charged to the income statement. With the adoption of FRS 139, other investments held for trading are classified as financial assets at fair value through profit or loss, otherwise these assets are classified as available-for-sale investments.

Financial assets at fair value through profit or loss are initially recognised at fair value. Subsequent to initial recognition, these financial assets are measured at fair value at balance sheet date with changes in fair value recognised as gains or losses in the income statement.

Available-for-sale investments are initially recognised at fair value plus transaction costs. Subsequent to initial recognition, these financial assets are measured at fair value at balance sheet date with changes in fair value recognised in fair value reserve in equity.

Derivative financial instruments

Prior to 1 January 2009, derivative financial instruments were not recognised in the balance sheet. With the adoption of FRS 139, derivative financial instruments are initially recognised at fair value on the date the derivative contract is entered into and subsequently re-measured at fair value at balance sheet date. Any gains or losses arising from changes in fair value on derivative financial instruments that do not qualify for hedge accounting are taken directly to the income statement.

The above changes in accounting policy have been accounted for prospectively and in accordance with the transitional provisions for first-time adoption of FRS 139, available-for-sale investments and derivative financial instruments have been re-measured at fair value at 1 January 2009 with the changes in fair value recognised directly in equity under fair value reserve, retained earnings and restating the following opening balances of the Group at 1 January 2009:-

	<i>As previously reported RM'000</i>	<i>Effect RM'000</i>	<i>As restated RM'000</i>
<u>Consolidated Balance Sheet</u>			
Reserves	11,047,291	522,886	11,570,177
Minority interests	160,088	137	160,225
<u>Consolidated Statement of Changes in Equity</u>			
Fair value reserve	-	204,560	204,560
Hedge reserve	-	267,585	267,585
Retained earnings	10,553,079	50,741	10,603,820
Minority interests	160,088	137	160,225

Effects of adopting FRS 139 for the year ended 31 December 2009:-

<u>Consolidated Income Statement</u>		<i>RM'000</i>
Net gain from derivative financial instruments		6,086
Fair value gain on financial assets at fair value through profit or loss		9,491
Share of net profit less losses of associate		109,137
<u>Consolidated Statement of Changes in Equity</u>		
Increase in fair value reserve		279,894
Reduction in hedge reserve		(170,937)

(b) Discontinued operations

The discontinued operations in this report have been presented in accordance with FRS 5 : Non-current Assets Held for Sale and Discontinued Operations. Accordingly, the combined financial results of Malayan Sugar Manufacturing Co Berhad ("MSM"), PPB's Chuping sugar cane plantation, Kilang Gula Felda Perlis Sdn Bhd ("KGFP") and Tradewinds (M) Berhad ("TWM") are disclosed separately in the consolidated income statements as discontinued operations.

The financial results of the discontinued operations for the year ended 31 December are as follows :-

	Individual Quarter 3 months ended 31 December		Cumulative Quarter 12 months ended 31 December	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Revenue	375,366	237,488	1,406,975	973,458
Operating expenses	(321,748)	(213,842)	(1,148,403)	(816,485)
Other operating income	12,277	24	25,135	498
Profit from operations	65,895	23,670	283,707	157,471
Net profit from investing activities	651	1,087	2,353	6,474
Share of net profits less losses of associates	(14,303)	5,976	(7,681)	19,502
Finance costs	(432)	(383)	(1,292)	(3,144)
Profit before taxation	51,811	30,350	277,087	180,303
Taxation	(1,595)	(7,424)	(57,256)	(44,277)
Profit for the year	50,216	22,926	219,831	136,026

A2. Seasonal or Cyclicity of Interim Operations

The Group's operations are not materially affected by any seasonal or cyclical factors.

A7. Segmental reporting

Segmental information in respect of the Group's business segments for the year ended 31 December 2009

Business Segments:	Continuing operations					
	Grains trading, flour and feed milling	Film exhibition and distribution	Environmental engineering, waste management and utilities	Chemicals trading and manufacturing	Property investment and development	Livestock farming
<i>All figures in RM'000</i>						
REVENUE						
External sales	1,065,930	205,692	103,391	70,577	39,403	72,795
Inter-segment sales	86,445	-	765	582	1,371	17,868
Total revenue	1,152,375	205,692	104,156	71,159	40,774	90,663
RESULTS						
Segment operating results	93,210	28,505	4,393	3,635	12,486	3,503
Unallocated corporate expenses						
Profit from operations						
Investing activities						
Share of associates profits less losses	870	1,216	4,961	-	21,239	-
Share of joint venture's profit	-	-	1,144	-	-	-
Finance costs						
Profit before tax						

A3. Unusual items affecting assets, liabilities, equity, net income, or cash flow

There were no items of an unusual nature, size or incidence that affected the assets, liabilities, equity, net income and cash flows of the Group during the current period under review.

A4. Nature and amount of changes in estimates

There were no changes in estimates of amounts reported in prior financial years which have a material effect in the current interim period.

A5. Issuances, Cancellations, Repurchases, Resale and Repayments of Debt and Equity Securities

There were no issuances or repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial period-to-date.

A6. Dividends paidDividends paid on ordinary shares

Financial year ended 31.12.2008 :

Final dividend - 18 sen per share single tier

Financial year ended 31.12.2009 :

Interim dividend - 5 sen per share single tier

*Individual Quarter
3 months ended
31-Dec-2009
RM'000*

*Cumulative Quarter
12 months ended
31-Dec-2009
RM'000*

-

213,390

-

59,275

-

272,665

			Discontinued operations				
Other operations	Elimination	Total	Sugar refining, trading and cane plantation	Other operations	Elimination	Total	Total Operations
447,641	-	2,005,429	1,406,975	-	-	1,406,975	3,412,404
41,186	(148,217)	-	-	-	-	-	-
488,827	(148,217)	2,005,429	1,406,975	-	-	1,406,975	3,412,404
21,413	616	167,761	282,842	61	804	283,707	451,468
		(16,218)				-	(16,218)
		151,543				283,707	435,250
		69,650				2,353	72,003
1,211,317	-	1,239,603	6,445	(14,126)	-	(7,681)	1,231,922
-	-	1,144	-	-	-	-	1,144
		(6,550)				(1,292)	(7,842)
		1,455,390				277,087	1,732,477

A8. Valuation of Property, Plant and Equipment

There were no changes in the valuation of property, plant and equipment brought forward from the previous annual financial statements.

A9. Material events subsequent to the end of the interim period

There were no material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period, other than the completion of the Proposed Disposals as detailed in Note B8.

A10. Changes in the composition of the Group

There were no changes in the composition of the Group arising from business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discontinued operations for the current interim period and year-to-date under review, except for the following:-

- (i) The Company had on 4 November 2009 acquired from its wholly-owned subsidiary, PPB Leisure Holdings Sdn Bhd (“PPB Leisure”), PPB Leisure’s entire equity interest in Golden Screen Film Distribution Co Sdn Bhd (now known as Penzance Properties Sdn Bhd) (“Penzance”) comprising 200,000 ordinary shares of RM1 each, for a cash consideration of RM200,000, resulting in Penzance becoming a direct subsidiary of PPB.
- (ii) FFM Berhad, a wholly-owned subsidiary of PPB had on 30 December 2009 acquired the entire issued and paid-up share capital comprising 2 ordinary shares of RM1 each in Resolute Services Sdn Bhd (“RSSB”), for a cash consideration of RM2,500 (“The Acquisition”). Arising from the Acquisition, RSSB has become an indirect subsidiary of PPB.

A11. Changes in contingent liabilities or contingent assets

	<i>As at 31-Dec-09 RM'000</i>	<i>As at 31-Dec-08 RM'000</i>
<u>Contingent liabilities</u>		
Unsecured guarantees issued in consideration of credit facilities given to an associate	2,550	2,550
Performance guarantee given to customers	17,986	-
	<u>20,536</u>	<u>2,550</u>

Contingent assets

There were no contingent assets as at the end of the current interim period.

B. BMSB Listing Requirements (Part A of Appendix 9B)**B1. Review of performance for the financial year-to-date**

Group revenue for continuing operations of RM2.0 billion for the financial year ended 31 December 2009 was 19% lower than the RM2.49 billion last year. The decrease was mainly due to lower revenue registered by the flour and feed milling in line with the lower prices of soft commodities, environmental engineering, chemicals trading and manufacturing divisions.

Group profit before tax for continuing operations of RM1.46 billion represents an increase of about 19% from last year. The increase was mainly due to higher contribution of RM1.21 billion from Wilmar International Limited (“Wilmar”), an associate

of the Group, representing an increase of RM317 million from last year. The flour and feed milling division however registered lower profits despite higher sales volume due to reduced selling prices of flour, whilst the Group's shipping operation was affected by low global charter hire rates.

Net profit after tax from discontinued operations was higher when compared with last year due mainly to increase in sugar sales volume and better operating margins.

B2. Material changes in the quarterly results compared to the results of the preceding quarter

Group profit before tax for continuing operations of RM322 million for the quarter under review was 36% lower compared with the preceding quarter. This was mainly due to lower profit contribution from Wilmar in the current quarter. The grains trading, flour and feed milling divisions also recorded lower profits as a result of lower selling prices.

Net profit after tax from discontinued operations was higher when compared with the preceding quarter due mainly to increase in sugar sales volume.

B3. Prospects for current financial year

While the global economic environment remains uncertain in 2010, economic activities in the Asian region are gaining pace. Riding on this momentum and with Wilmar's presence in the growing economies of China, India and Indonesia, PPB Group's operating results in 2010 are expected to be satisfactory.

With the completion of the disposal of the sugar business as detailed in Note B8, a gain of about RM857 million will be reflected in PPB Group's 1st quarter 2010 results.

B4. Variance of actual profit from forecast profit

Not applicable.

B5. Taxation

Taxation comprises:-	<i>Individual Quarter 3 months ended 31-Dec-09 RM'000</i>	<i>Cumulative Quarter 12 months ended 31-Dec-09 RM'000</i>
Malaysian taxation based on profit for the period		
Current	11,265	38,186
Deferred	5,790	6,138
	<u>17,055</u>	<u>44,324</u>
Foreign taxation		
Current	3,249	1,509
Deferred	769	769
	<u>21,073</u>	<u>46,602</u>
(Over)/underprovision		
Current	1,722	3,519
Deferred	(3,725)	(3,939)
	<u>19,070</u>	<u>46,182</u>

The effective tax rate is lower than the average statutory rate for the period mainly due to tax exempt income.

B6. Profit/Loss on sale of unquoted investments and/or properties

There were no sales of unquoted investment and / or properties for the current quarter and financial period-to-date.

B7. Quoted securities

(a) Total purchases and disposals of quoted securities for the current quarter and financial period-to-date were as follows :-

	<i>Individual Quarter 3 months ended 31-Dec-2009 RM'000</i>	<i>Cumulative Quarter 12 months ended 31-Dec-2009 RM'000</i>
Total purchases	-	267
Total proceeds from disposal	-	7,120
Net profit on disposal	-	1,286

(b) Total investments in quoted securities as at 31 December 2009 were as follows:-

	<i>RM'000</i>
At cost	409,741
At book value / market value	886,013

B8. Status of corporate proposals

On 30 October 2009, the Company entered into separate conditional sale and purchase agreements with Felda Global Ventures Holdings Sdn Bhd ("FGVH") for the proposed disposal by PPB of the following:-

- (a) 36,360,000 ordinary shares of RM1 each in MSM, representing 100% of the issued and paid-up share capital of MSM for a cash consideration of RM1,221.16 million ("MSM Shares Disposal");
- (b) 6,000,000 ordinary shares of RM1 each in KGFP, representing 50% of the issued and paid-up share capital of KGFP for a cash consideration of RM26.31 million ("KGFP Shares Disposal"); and
- (c) certain parcels of land measuring a total of approximately 5,797 hectares located in Chuping, Perlis for a cash consideration of RM45.00 million ("Chuping Land Disposal").

On the same date, Grenfell Holdings Sdn Bhd ("Grenfell"), a 49%-associate of PPB, entered into a conditional sale and purchase agreement with FGVH for the proposed disposal by Grenfell of 59,294,097 shares of RM1 each in TWM ("TWM Shares"), representing 20% of the issued and paid-up share capital of TWM for a cash consideration of RM207.53 million ("TWM Shares Disposal").

The MSM Shares Disposal and TWM Shares Disposal were completed on 1 January 2010 and 6 January 2010 respectively while the Chuping Land Disposal and KGFP Shares Disposal were completed on 12 January 2010.

B9. Group borrowings

Total Group borrowings as at 31 December 2009 were as follows:-

	<i>Total</i> <i>RM'000</i>	<i>Secured</i> <i>RM'000</i>	<i>Unsecured</i> <i>RM'000</i>
Long term bank borrowings			
Long term bank loans	31,210	-	31,210
Long term bank loans (USD)	53,141	53,141	-
Long term bank loans (RMB)	14,119	-	14,119
Hire purchase liabilities	69	69	-
Hire purchase liabilities (SGD)	63	63	-
Repayments due within the next 12 months	<u>(15,789)</u>	<u>(9,480)</u>	<u>(6,309)</u>
	<u>82,813</u>	<u>43,793</u>	<u>39,020</u>
Short term bank borrowings			
Bills payable	554	-	554
Short term loans	401	-	401
Short term loans (USD)	19,554	-	19,554
Current portion of long term loans	15,708	9,399	6,309
Hire purchase liabilities	69	69	-
Hire purchase liabilities (SGD)	12	12	-
	<u>36,298</u>	<u>9,480</u>	<u>26,818</u>
Bank overdrafts	1,356	-	1,356
	<u>37,654</u>	<u>9,480</u>	<u>28,174</u>

B10. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments as at 23 February 2010. The Group has adopted FRS 139 - Financial Instruments : Recognition and Measurement which requires all financial instruments to be recognised in the financial statements.

B11. Material litigation

There was no material litigation pending as at 23 February 2010.

B12. Dividend

The Board of Directors is pleased to recommend a final single tier dividend for the financial year ended 31 December 2009 of 18 sen per share (2008 : single tier dividend 18 sen per share) payable on Tuesday, 8 June 2010 subject to the approval of shareholders at the 41st Annual General Meeting to be held on Wednesday, 19 May 2010.

Together with the interim single tier dividend of 5 sen per share paid on 25 September 2009 and the special single tier dividend of 50 sen per share payable on 15 March 2010, the total dividend paid and payable for the financial year ended 31 December 2009 would be 73 sen per share (2008 : 62 sen per share less 26% income tax, and 23 sen per share single tier).

Dividend entitlement/payment date

Notice is hereby given that, subject to shareholders' approval, the final dividend is payable on Tuesday, 8 June 2010 to shareholders whose names appear in the Record of Depositors at the close of business on Monday, 24 May 2010.

A Depositor shall qualify for entitlement only in respect of :-

- (i) Shares transferred into the Depositor's securities account before 4.00 pm on Monday, 24 May 2010 in respect of ordinary transfers, and
- (ii) Shares bought on the Bursa Malaysia Securities Berhad ("BMSB") on a cum entitlement basis according to the Rules of BMSB.

Dividends Paid /Payable

Dividends paid /payable for the financial year 2008 and up to the date of this report are as follows :-

Financial Year	Type	Rate per share	Payment Date
2008	Special dividend	62 sen less 26% income tax	12 May 2008
2008	Interim dividend	5 sen single tier	29 September 2008
2008	Final dividend	18 sen single tier	5 June 2009
2009	Interim dividend	5 sen single tier	25 September 2009
2009	Special dividend	50 sen single tier	15 March 2010
2009	Final dividend (proposed)	18 sen single tier	8 June 2010

B13. Earnings per Share

The basic earnings per share has been calculated by dividing the Group's profit for the current financial year attributable to shareholders of the Company by 1,185,499,882 ordinary shares in issue during the period.

There is no diluted earnings per share for the current quarter or financial period-to-date as there were no dilutive potential ordinary shares.

B14. Disclosure of audit report qualification and status of matters raised

There was no qualification in the audit report of the preceding annual financial statements.

Kuala Lumpur
2 March 2010

By Order of the Board
Mah Teck Keong
Company Secretary

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